



**GRANTED**

Movant shall serve copies of this ORDER on any pro se parties, pursuant to CRCP 5, and file a certificate of service with the Court within 10 days.

**R. Brooke Jackson**

**Chief District Court Judge**

**FILED Document**  
**DATE OF ORDER INDICATED ON ATTACHMENT**  
**CO Jefferson County District Court 1st JD**

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DISTRICT COURT, JEFFERSON COUNTY,  
COLORADO

100 Jefferson County Parkway  
Golden, Colorado 80401

STATE OF COLORADO, ex rel. KEN SALAZAR,  
Attorney General,

Plaintiff,

v.

GENERAL STEEL DOMESTIC SALES, LLC, dba  
GENERAL STEEL;  
CAPITAL STEEL, INDUSTRIES, LLC,  
CAPITAL STEEL, INC., a Colorado corporation;  
JEFFREY KNIGHT, Individually;  
BRUCE GRAHAM, Individually;  
JORDAN BLUM, Individually;  
JEFFREY SCOTT DONELSON, Individually,

Defendants.

▲ COURT USE ONLY ▲

JOHN W. SUTHERS, Attorney General

Case Number: 04 CV 0143

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**CONSENT DECREE**

The parties have reached a settlement in this action. The terms of the settlement are contained in a separate Settlement Agreement signed by the parties, which has not been tendered to the Court for its review or approval. Upon the parties' request, and upon finding that good cause has been shown for entering this Consent Decree, the Court HEREBY ORDERS that:

## **GENERAL PROVISIONS**

1. The terms of this Consent Decree are entered pursuant to the Colorado Consumer Protection Act (“CCPA”) 6-1-101 *et. seq.*, C.R.S. (2006).
2. The Settlement Agreement, and this Consent Decree entered pursuant thereto, fully and finally resolve all matters which were brought or could have been brought in this litigation, including but not limited to: (i) statutory penalties; (ii) injunctive relief; (iii) telephone monitoring; (iv) ethics and compliance program; (v) consumer restitution; (vi) attorneys fees and costs; and (vii) all pending motions.
3. All motions currently pending in this action are deemed withdrawn and will not be addressed by this Court.
4. Any bond or other funds in the Court Registry deposited by General Steel shall be immediately released and returned to General Steel.
5. This Court retains jurisdiction to enforce the terms of this Consent Decree.

## **PERMANENT INJUNCTION**

6. Pursuant to, and in accordance with, the terms of the Settlement Agreement, Defendants are hereby permanently enjoined from representing by inference, implication or express statement:
  - a. that the salesperson taking the call is not a salesperson;
  - b. that the salesperson does not normally handle sales calls;
  - c. that the salesperson does not know why he has received the call;
  - d. that the salesperson is not able to answer the consumer’s question when the salesperson in fact does know how to answer;
  - e. that the salesperson works in shipping or production;
  - f. that General Steel is the manufacturer of the buildings and component parts in the sense of having a plant or doing the physical fabrication of the buildings.
  - g. that General Steel does not normally sell directly to the public and normally sells through its dealers and at an inflated price;

- h. that they are offering to a potential consumers a “previously produced,” “overstock,” “leftover,” “previously purchased,” “cancelled contract,” or “clearance” building or words to this effect; or that any such building is available at a substantial discount from the normal or regular price; unless the building does exist and is, in fact, being offered to that potential consumer on such terms;
  - i. that a ready-to-erect, ready-to-ship, “on the ground” or prefabricated building is available, unless the building does exist and is in fact being offered to the potential customer.
  - j. that General Steel will waive “storage” fees, unless General Steel is in fact incurring storage fees from a third party.
  - k. that only a limited number of clearance buildings remain;
  - l. that the salesperson receives no commission from the sales;
  - m. that the deposit is refundable or that the salesperson does know or is unsure as to whether it is refundable; however, the salesperson may represent that the deposit is refundable so long as this fact is written on the contract that is submitted to the consumers and the circumstance under which the deposit shall be refunded are specified in the contract; and
  - n. that the building already exists or is complete and ready for use, unless the statement is true.
7. Pursuant to, and in accordance with the terms of the Settlement Agreement, General Steel, Jeffrey Knight, Bruce Graham, Jordan Blum and Jeffrey Donelson are permanently enjoined from engaging in any deceptive trade practices or actions contrary to the CCPA. They are enjoined from such actions whether conducted through General Steel or any other entity.
8. Pursuant to, and in accordance with, the terms of the Settlement Agreement General Steel shall use a revised form of purchase order. The first page must state in readable, clear and unambiguous language what is included and not included in the contract price. This must include, at a minimum, plain language indicating that the listed accessories and components are not included unless expressly checked off as included. The Conditions shall be set forth on separate pages. They will be set forth in a minimum 12-point font. Each separate condition (which may include more than one sentence but should be limited to one subject matter) shall be separately set forth in a numbered paragraph. There shall be a space between the numbered paragraphs. To the left of each numbered paragraph shall be placed a line for the consumer to initial that he has read, understood and accepted the

condition. No condition will be enforceable unless the consumer initials it.

9. General Steel may, at any time in the future, seek relief from the terms of this injunction, in whole or in part. The Colorado Attorney General is not waiving his right to respond or object to any such request. Such request shall be determined in the sole discretion of this Court.

### **COMPLIANCE AND MONITORING**

10. Pursuant to, and in accordance with, the terms of the Settlement Agreement, the ethics and compliance program previously submitted by General Steel to this Court shall remain in effect. General Steel shall take reasonable steps to educate all sales staff about such ethics and compliance policy and to enforce compliance with that policy.
11. Pursuant to, and in accordance with, the terms of the Settlement Agreement, the third-party monitoring of General Steel as ordered by this Court in its June 4, 2004 Order Regarding Third Party Monitoring shall hereby cease. In its place, monitoring will be conducted by the Colorado Attorney General's Office through undercover calls. General Steel hereby agrees and expressly consents to the following terms of this undercover calling and tape recording program:
  - a. Members of the Colorado Attorney General's Office may call General Steel posing as consumers;
  - b. General Steel, its sales and receptionist employees and sales and receptionist contractors provide their consent to be surreptitiously tape recorded by the Colorado Attorney General's Office during these undercover calls;
  - c. General Steel shall make as a condition of employment or agency that its sales and receptionist employees and sales and receptionist contractors who make or receive phone calls consent to the making or tape recording of these undercover calls, and that any such individual waives any right to object to the surreptitious recording of these undercover calls.

12. Plaintiff shall provide General Steel written notice of any alleged violation of the Permanent Injunction (para. 6-8 above) that it discovers, including any alleged violation discovered through undercover calls, consumer complaints or otherwise. General Steel shall conduct a good faith and diligent review of such alleged violation and shall respond to the Plaintiff within sixty days from the date of receipt of the written notice. Such response shall describe all steps taken by General Steel to correct such violation and to prevent a reoccurrence of similar violations.
13. In the event that an alleged pattern of such violations continues after the initial notice of an alleged violation of the injunctive terms set forth herein and the response submitted thereto, Plaintiff may take any steps that it is otherwise lawfully permitted to take and that are reasonably necessary to correct such continuing pattern of alleged violations, including but not limited to seeking an order of contempt of court, subject to the meet-and-confer provision in the following paragraph.
14. Prior to the filing of any contempt proceeding or any other proceedings related to this Consent Decree, Plaintiff shall meet-and-confer, in person, with General Steel, shall do so in good faith, and shall include in such discussion (in person or by phone) Judge Murray Richtel or another representative of Judicial Arbitrator Group-Denver, Colorado (JAG). Judge Murray Richtel or another JAG representative shall act in an advisory capacity only and shall have no authority to determine whether or not a contempt proceeding, or any other proceeding, shall be filed.

### **MONETARY TERMS**

15. Pursuant to, and in accordance with, the terms of the Settlement Agreement, General Steel shall, within 30 days of the last of both Court's execution of this Consent Decree and the Permanent Injunction filed in the Sacramento County Superior Court and the full and final resolution of all issues related to the Denver/Boulder Better Business Bureau's Motion to Intervene (including any new or separate motions objecting to the settlement that the Denver/Boulder BBB or any other third party may file that relate, in any way, to the Settlement Agreement, this Consent Decree), and any appeals thereof, pay Four Million Five Hundred Thousand Dollars (\$4,500,000.00) to the Colorado Attorney General. Four Million Dollars (\$4,000,000.00) of this amount will be distributed to consumers throughout the country ("nationwide consumer restitution") with the remainder shared by the State and the Sacramento District Attorney's Office for partial reimbursement of fees and costs incurred in their respective investigations and prosecutions, the fees and costs of administering the consumer restitution and for payment of civil penalties. Notwithstanding any previous orders of this Court, this remainder shall be divided as follows:

- a. \$200,000 shall be paid to the Sacramento District Attorney's Office for costs, attorney fees and civil penalties.
  - b. \$200,000 shall be paid to the Colorado Attorney General's Office, which shall be used first for the reimbursement of Colorado's actual costs and attorney fees and, second, to be held along with any interest thereon, in trust by the Attorney General for future consumer education, consumer fraud or antitrust enforcement efforts.
  - c. \$50,000 shall be paid to the Colorado Attorney General's Office for the cost of administering the consumer restitution.
  - d. \$50,000 shall be paid as civil penalties in the Colorado Action.
- 16. The Settlement Payment shall satisfy all claims that have, were or could have been brought against any and all defendants by the Colorado Attorney General in Phase I or Phase II of the Colorado Action or any other proceeding, by the Sacramento District Attorney's Office in the Sacramento Action or any other proceeding, or by the New Mexico Attorney General's Office in any proceeding for: (i) statutory penalties or fines; (ii) nationwide or statewide consumer restitution; (iii) attorneys fees and costs; and (iv) all other sums.
- 17. Pursuant to, and in accordance with, the terms of the Settlement Agreement, the consumer restitution sum shall be distributed among: (a) the Phase I claimants; (b) those consumer claimants in Phase II who submitted questionnaire responses, including those consumers in New Mexico who had previously been identified to the Colorado Attorney General's Office by the New Mexico Attorney General's Office; and (c) those residents of California who filed claims with the Sacramento District Attorney's Office in the Sacramento Action. Each such claimant shall be tendered their appropriate share of the restitution pursuant to the Nationwide Consumer Restitution Program set forth in the Settlement Agreement. Prior to accepting the payment offered, each consumer will execute and deliver to the Colorado Attorney General's Office a full release of all claims against Defendants, and, upon General Steel's receipt of the fully executed release and evidence of delivery of payment from the Colorado Attorney General's Office, Defendants shall be deemed to have released that consumer from any and all claims arising out of the transaction.
- 18. Any residual funds remaining after restitution has been paid to consumers, shall be handled in accordance with the Settlement Agreement. This residual amount shall be used first for the reimbursement of Colorado's actual attorney fees and costs and, second, to be held in trust by the Colorado Attorney General for future consumer education, consumer fraud, and/or antitrust enforcement efforts.

Dated, this 28<sup>th</sup> day of February, 2007.

*In accordance with C.R.C.P. 121 §1-26(9), a duly signed original of the this document with the signatures of counsel below is on file at the law firm of Taub & Taub, P.C. and will be made available for inspection by other parties or the court upon request.*

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COUNSEL FOR BLUM, GRAHAM AND DONELSON

PEOPLE OF THE STATE OF COLORADO

BY: \_\_\_\_\_/s/  
Andrew McCallin, Assistant Attorney General

COUNSEL FOR PLAINTIFF

SO ORDERED this \_\_\_\_ day of \_\_\_\_\_, 2007.

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Honorable R. Brooke Jackson  
Chief Judge  
Jefferson County District Court



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Court: CO Jefferson County District Court 1st JD

Judge: Jackson, Brooke

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Case number: 2004CV143

Case name: STATE OF COLORADO EX REL KEN SALAZAR ATT vs. GENERAL STEEL DOMESTIC SALES  
LLC et al

/s/ Judge Brooke Jackson